

3-Man Panel Urges Unit On CIA Funds

A cabinet-level committee has recommended to President Johnson that a new quasi-public corporation be formed to replace the Central Intelligence Agency in financing the international programs of private organizations.

The three-man committee, appointed by the President last month during a controversy over covert CIA funding of such programs, has submitted to the White House its report calling for an end to the secret financing initiated by the CIA in the early 1950s.

The members of the presidential study group are Undersecretary of State Nicholas deB. Katzenbach, CIA Director Richard Helms, and Secretary of Health, Education and Welfare John Gardner.

The panel was formed after Ramparts magazine last month disclosed that the CIA was covertly financing the international programs of the U.S. National Student Association. Subsequent disclosures revealed a network of scores of "dummy" foundations established by the CIA to finance the activities of student, youth, labor, religious and other U.S. organizations.

The presidential commission's report, expected to be made public this week, has been reviewed by the President.

It suggests that Congress be asked to approve legislation establishing a quasi-public body, possibly similar to the British Council, Great Britain's government-aided organization run by a board composed of private citizens.